



PROPOSED RULE MAKING (RCW 34.05.320)

**CR-102 (7/10/97)
Do NOT use for
expedited adoption**

Agency: Office of the Insurance Commissioner		<input checked="" type="checkbox"/> Original Notice <input type="checkbox"/> Supplemental Notice to WSR _____ <input type="checkbox"/> Continuance of WSR	
<input checked="" type="checkbox"/> Preproposal Statement of Inquiry was filed as <u>WSR 00-22-117</u> ; or <input type="checkbox"/> Expedited Adoption -- Proposed Rule Making notice was filed as WSR _____; or <input type="checkbox"/> Proposal is exempt under RCW 34.05.310(4).			
(a) Title of rule: (Describe Subject) Annual Statement Filing Instructions Purpose: Insurers and carriers currently file quarterly financial reports with the Insurance Commissioner. The proposed rule would require that the report be filed with the NAIC also. Filing of the quarterly financial statements of insurers and carriers with the NAIC is an NAIC accreditation standard. This amendment will bring the rule into compliance. The rule will also assist the Insurance Commissioner in monitoring the financial condition of domestic insurers. Other identifying information: R 2000-09			
(b) Statutory authority for adoption: RCW 48.02.060, 48.44.050, 48.46.200		Statute being implemented: RCW 48.05.073	
(c) Summary: The quarterly reports are currently required to be filed with the Insurance Commissioner. The rule will require insurers and carriers to file the reports with the NAIC also. Reasons supporting proposal: The rule will aid in NAIC accreditation review and will assist in the financial oversight of insurers and carriers.			
(d) Name of Agency Personnel Responsible for:		Office Location	Telep
1. Drafting..... Jim Tompkins		Lacey, WA	(360)4
2. Implementation.... Jim Tompkins		Lacey, WA	(360)4
3. Enforcement..... Jim Tompkins		Lacey, WA	(360)4
(e) Name of proponent (person or organization): Mike Kreidler, Insurance Commissioner		<input type="checkbox"/> Private	
(f) Agency comments or recommendations, if any, as to statutory language, implementation, enforcement and fiscal matters: None			
(g) Is rule necessary because of: Federal Law? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, ATTACH COPY OF TEXT Federal Court Decision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Citation: State Court Decision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(h) HEARING LOCATION: Insurance Building, RM 200A 14th & Water Olympia, WA Date: May 8, 2001 Time: 9:00 am Assistance for persons with disabilities: Contact <u>Lori Villaflores</u> by 5/1/01 TDD (360) 407-0409		Submit written comments to: Kacy Brandeberry P.O. Box 40255 Olympia, WA 98504-0255 E-Mail: Kacyb@oic.wa.gov FAX: (360) 664-2782 By (date) May 7, 2001 DATE OF INTENDED ADOPTION: May 11, 2001 CODE REVISER USE ONLY	
NAME (TYPE OR PRINT) Mike Kreidler			
SIGNATURE			
TITLE Insurance Commissioner	DATE 4/4/01		

(j) Short explanation of rule, its purpose, and anticipated effects:

Insurers and carriers currently file quarterly financial reports with the Insurance Commissioner. The proposed rule would require that the report be filed with the NAIC also. Filing of the quarterly financial statements of insurers and carriers with the NAIC is an NAIC accreditation standard. This amendment will bring the rule into compliance. The rule will also assist the Insurance Commissioner in monitoring the financial condition of domestic insurers.

Does proposal change existing rules? ☒ YES ☐ NO If yes, describe changes:

WAC 284-07-050 is amended to include the NAIC as a recipient of the quarterly financial reports.

(k) Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☒ Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by writing to:

Kacy Brandeberry
P.O. Box 40255
Olympia, WA 98504-0255
E-Mail: Kacyb@oic.wa.gov

telephoning: (360) 664-3784

faxing: (360) 664-2782

☐ No. Explain why no statement was prepared

(l) Does RCW 34.05.328, apply to this rule adoption? ☒ Yes ☐ No

Please explain: It is a significant legislative rule.

WAC 284-07-050 Annual statement instructions. (1) For the purpose of this section, the following definitions shall apply:

(a) "Insurer" shall have the same meaning as set forth in RCW 48.01.050. It also includes health care service contractors registered under chapter 48.44 RCW and health maintenance organizations registered under chapter 48.46 RCW.

(b) "Insurance" shall have the same meaning as set forth in RCW 48.01.040. It also includes prepayment of health care services as set forth in RCW 48.44.010(3) and prepayment of comprehensive health care services as set forth in RCW 48.46.020(1).

(2) Each authorized insurer is required to file with the commissioner an annual statement for the previous calendar year in the general form and context as promulgated by the National Association of Insurance Commissioners (NAIC) for the kinds of insurance to be reported upon, and shall also file a copy thereof with the NAIC. To effectuate RCW 48.05.250, 48.05.400, 48.44.095 and 48.46.080 and to enhance consistency in the accounting treatment accorded various kinds of insurance transactions, the valuation of assets, and related matters, insurers shall adhere to the appropriate Annual Statement Instructions and the Accounting Practices and Procedures Manuals promulgated by the NAIC.

(3) This section does not relieve an insurer from its obligation to comply with specific requirements of the insurance code or rules thereunder.

(4) Number of statements:

(a) For domestic insurers, the statements are to be filed in triplicate to assist with public viewing and copying. Two statements must be permanently bound on the left side. The third statement must be unbound. The statements are to be filed in the Olympia office.

(b) For foreign insurers, except for health care service contractors and health maintenance organizations, one statement shall be filed in the Olympia office. For health care service contractors and health maintenance organizations, two left side permanently bound and one unbound statement shall be filed in the Olympia office to assist with public viewing and copying.

(5) Each domestic insurer shall file quarterly reports of its financial condition with the commissioner and with the NAIC. Each foreign insurer shall file quarterly reports of its financial condition with the NAIC. The commissioner may require a foreign insurer to file quarterly reports with the commissioner whenever, in the commissioner's discretion, there is a need to more closely monitor the financial activities of the foreign insurer. The reports shall be filed in the commissioner's office not later than the forty-fifth day after the end of the insurer's calendar quarters. Such quarterly reports shall be in the form and content as promulgated by the NAIC for quarterly reporting by insurers, shall be prepared according to appropriate Annual and Quarterly Statement Instructions and the Accounting Practices and Procedures Manuals promulgated by the NAIC and shall be supplemented with additional information required by this title and by the commissioner. The statement is to be completed and filed in the

same manner and places as the annual statement. Quarterly reports for the fourth quarter are not required.

(6) As a part of any investigation by the commissioner, the commissioner may require an insurer to file monthly financial reports whenever, in the commissioner's discretion, there is a need to more closely monitor the financial activities of the insurer. Monthly financial statements shall be filed in the commissioner's office no later than the twenty-fifth day of the month following the month for which the financial report is being filed. Such monthly financial reports shall be the internal financial statements of the company. In addition, the commissioner may require these internal financial statements to be accompanied by a schedule converting the financial statements to reflect financial position according to statutory accounting practices and submitted in a form using the same format and designation as the insurer's quarterly financial reports of insurers.

(7) Health care service contractors shall use the Hospital, Medical, Dental Service or Indemnity Corporation's Statement Form promulgated by the NAIC for their statutory filings.

(8) Each health care service contractor's and health maintenance organization's annual statement shall be accompanied by a monthly enrollment data form (IC-16-HC/IC-15-HMO) and additional data statement form (IC-13A-HC/IC-14-HMO).

(9) An insurer who on December 31, 1996, has not previously filed its annual or quarterly statements with the NAIC, shall comply with this rule for the year ending December 31, 1996, and each year thereafter. To enhance the intrastate and interstate surveillance of the insurer's financial condition earlier application is permitted.

(10) The commissioner may allow a reasonable extension of the time within which such financial statements shall be filed.